

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED

SEP 20 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

800 Data Base Access Tariffs
and the 800 Service Management
System Tariff

CC Docket No. 93-129

DIRECT CASE OF THE NYNEX TELEPHONE COMPANIES

New York Telephone Company
and
New England Telephone and
Telegraph Company

By: Edward R. Wholl
William J. Balcerski

120 Bloomingdale Road
White Plains, NY 10605
(914) 644-2032

Their Attorneys

Dated: September 20, 1993

No. of Copies rec'd
List A B C D E

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| SUMMARY | i |
| I. INTRODUCTION | 1 |
| II. THE TERMS AND CONDITIONS OF THE NTCS' 800 DATA BASE TARIFF ARE REASONABLE AND CONSISTENT WITH PREVIOUS COMMISSION ORDERS IN THIS PROCEEDING | 2 |
| A. Area of Service Routing | 3 |
| B. Per Query Charge | 3 |
| C. Marketing Vertical Features | 4 |
| D. Requiring Customers to Take RESPORG Services | 4 |
| E. Inclusion of RESPORG Services in Tariffs | 5 |
| III. THE METHOD USED BY THE NTCS TO RESTRUCTURE THE TRAFFIC- SENSITIVE BASKET AND CALCULATE THE EXOGENOUS COST CHANGE WAS REASONABLE AND CONSISTENT WITH THE COMMISSION'S PRICE CAP RULES | 6 |
| IV. THE NTCS' 800 DATA BASE RATES ARE REASONABLE | 8 |
| V. CONCLUSION | 13 |
| Attachment A - RESPONSE OF THE NTCS TO APPENDIX A ISSUES | |

SUMMARY

In this Direct Case, the NYNEX Telephone Companies ("NTCs") show that the terms and conditions of their 800 data base tariff are reasonable and consistent with previous Commission Orders in this proceeding.

The NTCs also show that the methodology that they used to restructure the traffic-sensitive basket and calculate the exogenous cost change was reasonable and consistent with the Commission's price cap rules. However, the Commission may wish to initiate a rulemaking proceeding and propose revisions to its price cap rules consistent with Method 3 as described in the Designation Order.

The NTCs also show that their 800 data base rates are reasonable. The categories of costs that the NTCs included in their exogenous cost adjustment were consistent with previous Commission Orders. The NTCs' demand assumptions are reasonable. The NTCs' rates for vertical features are cost-based and incrementally higher than the rate for basic query service. The Commission should find that the NTCs' 800 data base rates are just and reasonable.

In the Matter of)
)
800 Data Base Access Tariffs) CC Docket No. 93-129
and the 800 Service Management)
System Tariff)

The NYNEX Telephone Companies ("NTCs") hereby submit their Direct Case pursuant to the Common Carrier Bureau's July 19, 1993 Designation Order in the above-captioned matter.¹

On March 1, 1993, the NTCs and other local exchange carriers ("LECs") filed tariff revisions to introduce 800 data base access service. On March 5, 1993, the Bell Operating Companies ("BOCs") jointly filed a single tariff to provide 800 service providers with access to the BOCs' 800 Service

1 Order Designating Issues for Investigation, DA 93-930 (July 19, 1993) ("Designation Order"). This Direct Case only addresses issues pertaining to the NTCs' 800 data base tariffs. Issues regarding the 800/SMS tariff are being addressed separately in a joint filing by the BOCs.

Management System (800/SMS).² On April 28, 1993, the Common Carrier Bureau suspended the 800 data base and 800/SMS tariffs for one day, imposed accounting orders, and initiated investigations of the tariffs.³ The Designation Order sets forth the issues under investigation.

In this Direct Case, the NTCs will show that the terms and conditions of their 800 data base tariff are reasonable and consistent with previous Commission Orders in this proceeding. The NTCs will also show that the method that they used to restructure the traffic-sensitive basket and calculate the exogenous cost change was reasonable and consistent with the Commission's price cap rules. The NTCs will further show that their 800 data base rates are reasonable.

II. THE TERMS AND CONDITIONS OF THE NTCs' 800 DATA BASE TARIFF ARE REASONABLE AND CONSISTENT WITH PREVIOUS COMMISSION ORDERS IN THIS PROCEEDING.

The Bureau seeks comment on a number of terms and conditions that appear in the 800 data base tariffs. These issues were previously addressed by the NTCs in their April 2, 1993 Opposition to Petitions to Reject or Suspend the NTCs' 800 data base tariffs. The NTCs will again show that the terms and

² The 800/SMS is an operations and administrative support system used for the creation and maintenance of 800 call processing records. It also provides 800 number availability and reservation status information.

³ In the Matter of the Bell Operating Companies' Tariff for the 800 Service Management System and 800 Data Base Access Tariffs, 8 FCC Rcd 3242 (1993) ("Tariff Suspension Order").

conditions of their 800 data base tariff are reasonable and consistent with previous Commission Orders in this proceeding.

A. Area of Service Routing. The Bureau states that some LEC tariffs fail to state clearly that basic 800 data base access service includes area of service routing at the LATA level.⁴ This is not the case with respect to the NTCs. Section 6.7.1(G) of the NTCs' tariff states that the per query charge for basic 800 data base access service includes "an area of service which may range from a single NPA/NXX to an area consisting of all LATAs and NPAs in the United States."⁵ This obviously includes a single LATA as well. The NTCs also stated in their Description and Justification ("D&J") accompanying their 800 data base tariffs that customers of the NTCs' basic 800 data base access service can have 800 calls routed to different carriers based on the LATA in which the call originates.⁶

B. Per Query Charge. The Bureau states that the LECs do not clearly indicate that the per query charge will apply when the associated call is not delivered to the IC. Again, this is not true insofar as the NTCs are concerned. Section 6.7.1(G) of the NTCs' tariff provides that the 800 Data Base Access Service Customer Identification Charge is assessed

⁴ Area of service routing is the routing of 800 calls by LECs to different interexchange carriers ("ICs") based on the area in which the call originates.

⁵ Similar language appears in Section 13.4.1 of the NTCs' tariff.

⁶ D&J, p. 6.

to the customer on a per query basis. The term "query" is defined in Section 2.6 of the tariff as a "database lookup which returns a valid customer identification code." Thus, the per query charge applies whenever a data base query is made and a valid customer identification code is returned, even if the call is not delivered to the IC. This is consistent with the Commission's 800 Access Order.⁷

C. Marketing Vertical Features. The Bureau states that some LEC tariffs permit the LECs to market vertical features to end users. This is not true for the NTCs. The Commission has ruled that the LECs are permitted to sell vertical features to end users in situations where the end user, rather than a carrier, purchases the NTCs' 800 data base access service. The LECs are only prohibited from selling vertical features directly to ICs' 800 service customers.⁸ Consistent with the Commission's Order, Sections 6.1.1(C)(1) and (2) of the NTCs' tariff is clear that vertical features are only available to customers of the NTCs' 800 data base access service.

D. Requiring Customers to Take RESPORG Services. The Bureau states that one of the LECs' tariffs could be interpreted to require customers to take RESPORG service in

⁷ In the Matter of Provision of Access for 800 Service, 8 FCC Rcd 907, 909 (1993) ("800 Access Order") ("We also hold that LECs may charge IXCs for completed queries even if the LEC never actually delivers the associated call to the IXC").

⁸ In the Matter of Provision of Access for 800 Service, 6 FCC Rcd 5421, 5427-28 (1991).

order to obtain vertical features. The NTCs' tariff contains no such provision.

E. Inclusion of RESPORG Services in Tariffs. The Bureau seeks comment on whether RESPORG services should be tariffed.⁹ The NTCs believe that these services should be tariffed.

In the CompTel Petition Order, the Commission held that the BOCs must provide access to the 800/SMS under tariff because: (1) 800/SMS access is incidental, indeed necessary, to the provision of 800 data base access; and (2) the BOCs hold themselves out indiscriminately to the public for the provision of 800/SMS access service.¹⁰

The same rationale applies to BOC provision of RESPORG services. RESPORG service is incidental (and necessary) to the provision of 800 service and, with few exceptions, RESPORG service will be provided by common carriers, i.e., entities that hold themselves out indiscriminately to the public for the provision of such service in connection with their interstate 800 service offerings.¹¹ RESPORG service should therefore be provided under tariff.

⁹ The provision of RESPORG service includes the search and reservation of 800 numbers and the creation and maintenance of 800 service records in the 800/SMS which controls 800 call routing. In many cases, RESPORGs will be responsible for maintaining multiple carrier routing arrangements among competing 800 service providers.

¹⁰ In the Matter of Provision of Access for 800 Service, 8 FCC Rcd 1423, 1426 (1993).

¹¹ When an 800 service customer provides RESPORG service to itself or affiliated companies, however, the provision of such service is clearly not on a common carrier basis, and, therefore, tariffs would not be required.

III. THE METHOD USED BY THE NTCs TO RESTRUCTURE THE TRAFFIC-SENSITIVE BASKET AND CALCULATE THE EXOGENOUS COST CHANGE WAS REASONABLE AND CONSISTENT WITH THE COMMISSION'S PRICE CAP RULES.

The Bureau seeks comment on three possible methods for restructuring the traffic-sensitive basket while adjusting for exogenous costs whenever a new service category (such as 800 data base access service) within the basket is introduced.

As noted in the Designation Order, the NTCs used Method 2 -- i.e., they first made their adjustment for exogenous costs and then restructured their traffic-sensitive basket to establish a new service category for 800 data base service. The NTCs agree with the Bureau's finding that this method complies with the Commission's price cap rules.

The Bureau is also correct that Method 2 has the effect of raising the upper and lower limits of the service band indices (SBIs) in the traffic-sensitive basket. However, the NTCs do not agree that this will result in significant pricing flexibility opportunities for each service category within the basket. For example, if the SBI for a particular service category within the traffic-sensitive basket was already close to the SBI lower limit for the service category, then raising the SBI lower limit will result in less pricing flexibility for that particular service category. The use of Method 2 may also force a LEC to increase rates in some service categories even though the LEC would prefer not to do so. This is particularly true where a service category has only a few rate elements that can be changed.

The NTCs agree with the Bureau's finding that Method 1 violates the price cap rules.¹² Thus, a waiver is necessary before this Method could be utilized. However, Method 1 would allow for recovery of the exogenous costs associated with 800 data base service through the 800 data base rate. This would appear to be more appropriate than recovering the exogenous costs for 800 data base service through adjustments to other rate elements in the traffic-sensitive basket.

The NTCs believe that Method 3 may be the best method for restructuring the traffic-sensitive basket while adjusting for exogenous costs whenever a new service category within the basket is introduced. Under Method 3, the price cap index (PCI) would be adjusted but the rates, indices and limits for existing categories within the traffic-sensitive basket would not change, thereby preserving the existing degree of pricing flexibility. However, it is clear that this method does not comply with the price cap rules.¹³

The NTCs believe that the methodology that they used to restructure the traffic-sensitive basket and calculate the exogenous cost change was reasonable and consistent with the Commission's price cap rules. However, the Commission may wish

12 Under Method 1, the LEC first restructures its traffic-sensitive basket to establish the new service category and then sets the rate to recover the exogenous costs. This methodology results in minor changes to the existing SBIs for the service categories within the traffic-sensitive basket.

13 Section 61.47(e) of the price cap rules requires that the SBI limits be changed whenever the PCI changes.

to initiate a rulemaking proceeding and propose revisions to its price cap rules consistent with Method 3.

IV. THE NTCs' 800 DATA BASE RATES ARE REASONABLE.

The Bureau seeks comments on whether the LECs' 800 data base rates are reasonable.¹⁴ Specifically, the Bureau seeks comments on whether the exogenous costs claimed by the LECs are reasonable and consistent with the price cap rules and the Commission's earlier orders in this proceeding. The Bureau also seeks comment on the accuracy of the demand assumptions on which the LECs based their rates.

As discussed in the NTCs' D&J (pp. 14-15), the NTCs calculated the price for basic 800 data base access service by adding the exogenous costs (\$5,880,385) to the existing 800 revenues (\$1,336,667) and dividing the resulting total (\$7,217,052) by the 1991 base period demand (1,724,045,376 calls).

In the 800 Access Order, the Commission stated that the BOCs would be allowed to treat as exogenous those costs incurred specifically for the implementation and operation of the basic 800 data base service.¹⁵ The Commission stated that exogenous treatment would be allowed for costs associated with the SCPs, the 800/SMS, the links between the SCPs and the

14 Attachment A hereto contains the NTCs' responses to the data requests set forth in Appendix A to the Designation Order.

15 800 Access Order, 8 FCC Rcd at 911.

SMS, and the links between the STPs and SCPs.¹⁶ In developing their exogenous costs, the NTCs only included the costs of the SCP to regional STP links, the local STP to regional STP links, the SCP, and the 800/SMS.¹⁷ Unlike other LECs, the NTCs did not seek exogenous treatment for the costs of the SSP hardware and/or software, tandem upgrades, repair centers for 800 service or STPs. In fact, in its Petition to Reject the LECs' 800 data base tariffs, MCI agreed that the categories of costs that the NTCs included in their exogenous cost adjustment were consistent with the Commission's 800 Access Order.¹⁸

The NTCs developed the exogenous costs per-query for these facilities using the Common Channel Signalling Cost Information System ("CCSCIS") model. The Designation Order requires the LECs to disclose the CCSCIS model on the record. The NTCs cannot do so because this model is proprietary to Bellcore and contains proprietary information obtained from various equipment manufacturers. It should, however, be noted that CCSCIS is conceptually and functionally similar to SCIS,

16 Id.

17 In their tariff filing, the NTCs also included loadings for overheads associated with these facilities. However, pursuant to the Tariff Suspension Order, the NTCs subsequently recalculated their price cap indexes (PCI) to remove these overhead costs. The NTCs no longer seek exogenous treatment for the overhead costs associated with these 800 data base facilities.

18 MCI Petition For Rejection and Suspension and Investigation (March 18, 1993) at 5 (the "NYNEX Telephone Companies . . . limited the elements included in their [exogenous cost] analysis to those enumerated by the Commission").

which was not disclosed on the record.¹⁹ The Commission should therefore follow the same disclosure procedures for CCSCIS that were developed in the ONA proceeding for SCIS.

In order to arrive at their total exogenous costs, the NTCs multiplied the exogenous costs per-query developed through CCSCIS by a five-year levelized demand forecast for 800 data base service.²⁰ As explained in their D&J (p. 11), the NTCs developed a five-year demand forecast using a growth rate of 15%. Although the average growth rate during the period 1989 to 1992 was 20%, the NTCs used a growth factor of only 15% because of the poor economy in the Northeast and because 800 service is a mature service that has been available to subscribers since 1967.

The NTCs forecasted demand over five years in calculating exogenous costs because it produced the most accurate calculation of the costs associated with the introduction of basic 800 data base service. The infrastructure that the NTCs are installing to support 800 data base service will be sufficient to meet demand levels that will greatly exceed the demand in the first year. Because 800 service is growing at a much faster rate than other switched services, the NTCs used a planning period approach. For these

¹⁹ CCSCIS analyzes investments in equipment (e.g., STPs) associated with SS7 services, whereas SCIS analyzes investments in switching systems. The primary difference between SCIS and CCSCIS is in the equipment modeled, not in the philosophy or methodology employed for modeling.

²⁰ The CCSCIS cost model looks at investment utilization over a study period to derive a per-unit cost.

reasons, the exogenous cost calculations properly reflect the average demand-driven costs for the five-year period.

In their Petitions to Reject, several petitioners argued that the NTCs should have multiplied the cost per-query by the first year demand because they believed that this would have produced a lower level of exogenous costs. However, if the NTCs had done that, they would have also used first year demand in the CCSCIS model to develop the unit costs. If the NTCs had applied the CCSCIS model using only first year utilization factors, it would have produced higher unit costs. When the higher unit costs are multiplied by the lower first year demand level, the end result is approximately the same amount of exogenous costs.²¹

The Bureau also seeks comment on the reasonableness of the LECs' rates for vertical features. The NTCs filed cost support for the vertical features in accordance with the requirements of the Part 69 ONA Order.²² Unit investments

²¹ Similarly, SMS costs (which were not generated from the CCSCIS model) would not be materially affected by using first year demand. In developing SMS costs, the NTCs divided total SMS expenses by the total levelized demand (total interLATA and total intraLATA queries) to determine the SMS unit cost per-query. The unit cost was then multiplied by the interLATA basic query levelized demand to determine the total interLATA exogenous costs. If the first year demand were used in place of the levelized demand, the unit cost would increase because the total SMS expenses would be divided by the smaller first year demand. However, the total exogenous costs virtually would not change (a difference of less than 1%) because the higher unit cost would be multiplied by the smaller first year demand.

²² Report and Order on Further Reconsideration and Supplemental Notice of Proposed Rulemaking, 6 FCC Rcd 4524 (1991) ("Part 69 ONA Order").

and unit expenses by cost category were identified. Direct and indirect carrying charge factors were developed from ARMIS data to produce both direct costs and indirect costs plus overheads. See Worksheets 3.1 through 3.5 of the D&J. These factors were consistent with those utilized by the NTCs in both the ONA and LIDB proceedings.

As the NTCs demonstrated in their 800 database tariff filing, the rates for vertical features are cost-based and incrementally higher than the rate for basic query service which was derived in accordance with the price cap rules. The NTCs estimated that only 1% of all 800 calls would utilize the POTS Translation and Call Handling and Destination vertical features. This is because 99% of the 800 calls will be carried by ICs that have their own databases with vertical feature capability.


The NTCs have fully justified their 800 data base rates. The Commission should find that these rates are just and reasonable.

V. CONCLUSION

The NTCs have shown herein that: (1) the terms and conditions of their 800 data base tariffs are reasonable and consistent with previous Commission Orders; (2) the method that the NTCs used to restructure the traffic-sensitive basket and calculate the exogenous cost change was reasonable and consistent with the Commission's price cap rules; and (3) their 800 data base rates are reasonable. The Commission should therefore issue an Order terminating this investigation.

Respectfully submitted,

New York Telephone Company
and
New England Telephone and
Telegraph Company

By: 
Edward R. Wholl
William J. Balcerski

120 Bloomingdale Road
White Plains, NY 10605
(914) 644-2032

Their Attorneys

Dated: September 20, 1993

RESPONSE OF THE NTCs
TO APPENDIX A ISSUES

The following are the NTCs' responses to the issues set forth in Section IV of Appendix A to the Designation Order.

Question 1. If a discount rate is used in your demand calculations, explain the rationale for using this rate.

Answer: The NTCs applied a discount rate of 11% in levelizing the demand forecast. This rate was chosen as a conservative approximation of the authorized rate of return of 11.25%.

Question 2. If you based your demand growth assumptions completely on past performance, explain why the introduction of 800 data base service will have no effect on the growth rate for 800 query demand for your company.

Answer: The NTCs used a growth rate of 15%, which is less than the historical growth rate of 20%. The NTCs believe that a 15% growth rate is appropriate given the poor economic conditions in the Northeast and the fact that 800 service is a mature service which has been available to subscribers since 1967. The NTCs believe that any pent-up demand stimulation attributable to the implementation of number portability will be captured in the annual 15% growth estimate.

Question 3. Explain how the demand assumptions were used in your ratemaking methodology.

Answer: Demand assumptions were not used in the ratemaking process for 800 data base basic queries. Base period 1991 demand was used within the price cap model for ratemaking purposes.

Question 4. Provide the annual costs for all expenses related to the 800/SMS incurred pursuant to contracts with Bellcore, Data Services Management, Inc., or any other entity. Provide the terms of the contract and an explanation of how the annualized amount is calculated.

Answer: The SMS costs developed by the NTCs were based on contract rates for 800 Number Administration and Service Center (NASC) services issued by Bellcore on January 28, 1993. These were the most recent rates available to the NTCs in preparing for the March 1, 1993 800 data base filing. Since that time, Bellcore has revised the contract rates for NASC services. The annual SMS costs that were filed are as follows:

- A. 10 SMS to SCP 9.6 Kbps links at \$1,979.253 per link per month equals \$237,510.36 per year; 1 SMS network at \$6,143.226 per month equals \$73,718.71 per year; 4 SCP data bases at \$24,873.037 per month equal \$1,193,905.78 per year; 5 monthly owner operator associated log-ons at \$97.867 per log-on equal \$5,872.02 per year. Total SMS annual expenses equal \$1,511,006.87.
- B. Billing of NASC expenses is done on the basis of 2/3 total bill paid by New York Telephone (NYT), 1/3 total bill paid by New England Telephone (NET). Thus, the NYT annual total SMS expense is \$1,007,337.91 and the NET annual total SMS expense is \$503,668.96.

The revised contract rates and costs are as follows:
10 SMS to SCP 9.6 Kbps links \$2,194.57 per link per month
equals \$263,348.40 per year; 1 SMS network at \$5,039.15 per
month equal \$60,469.80 per year; 4 SCP data bases at \$10,716.94
equals \$514,413.12 per year. Log-ons are no longer separately
charged. The NTCs' revised total annual 800/SMS costs are thus
\$838,231.32.

Question 5. Provide the cost detail, by account,
associated with upgrading the SSPs for 800 data base service
and justify why those upgrades should be treated as exogenous
costs.

Answer: The NTCs did not include SSP upgrades in the
calculation of exogenous costs.

Question 6. If overhead costs were included as
exogenous costs in your initial filing, justify why those costs
should be treated as exogenous.

Answer: The NTCs no longer seek exogenous treatment
for such costs.

Question 7. If signaling link costs between local
STPs and regional STPs are included as exogenous costs, justify
why those costs should be treated as exogenous costs.

Answer: The signaling links between local STPs and
regional STPs comprise part of the required path between STPs
and SCPs, and are used primarily to support data base
services. These links are not part of the core SS7 network
deployed to support pre-common channel signaling services.

These links would not have been utilized to support the old 800 NXX service. There would be no need to utilize the local STP to regional STP links for purposes of routing 800 NXX traffic. This type of traffic would be handed off to the IC at the local STP. Thus, these link costs are directly attributable to 800 data base service and are not core SS7 costs.

Question 8. If costs for regional or local STPs are included as exogenous costs, justify why those costs should be treated as exogenous costs.

Answer: NYNEX did not include either regional or local STPs in their exogenous cost calculations.

Question 9. For each of your company's SCPs, list and describe each service that is supported by that SCP (i.e., 800 data base, LIDB, virtual private networks, wide area Centrex or unrelated administrative functions). Provide a diagram of the equipment in an SCP installation typical for your company.

Answer: The NTCs use SCPs for 800 data base services and LIDB.

800 Data Base Service:

NYT uses a pair of SCPs for 800 service. One SCP is located at 111 Main Street in White Plains, and the other at 240 E. 38th Street in New York City. The traffic load is shared between the pair. NET currently has an SCP pair also, with one SCP located in Cambridge, Massachusetts and the other in Brockton, Massachusetts. Later this year NET plans to introduce LIDB functionality into this SCP pair.

LIDB:

Currently, all LIDB service for the NTCs is served out of a pair of SCPs located in White Plains, New York and 240 E. 38th Street, New York City. While located in the same buildings as the 800 SCPs, the LIDB pair are separate and distinct SCPs. As previously mentioned, later this year NET plans to introduce LIDB into its existing SCP pair now used for 800 data base service. Attached hereto is a diagram of the equipment in a typical SCP installation.

Question 10. If costs for the SCP are allocated among the functions described above, explain your allocation procedures and provide your allocation factors and how these factors were derived.

Answer: The NYNEX 800 data base SCPs are utilized solely to support 800 data base service. Thus, 100% of the 800 data base SCPs are allocated to 800 data base service.

INFORMATION REQUEST FOR 800 DATABASE SERVICE EXOGENOUS COSTS

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|-------------------|------------------------|--|----------------------------------|-----------------------------------|------------------------------|-----------------------------------|---|--------------------|------------------------------|-----------------------------------|------------------------------|--|-----------------------------|---------------------------------|-------|
| Land Acct 2111 | Buildings Acct 2121 | General Purpose Computers Acct 2124 | Analog Switching Acct 2211 | Digital Switching Acct 2212 | Radio System Acct 2231 | Circuit Equipment Acct 2232 | Other Terminal Equipment Acct 2232 | Poles Acct 2411 | Aerial Cable Acct 2421 | Underground Cable Acct 2422 | Buried Cable Acct 2423 | Intellidg Network Cable Acct 2426 | Aerial Wire Acct 2431 | Conduit Systems Acct 2441 | Total |

I. Unit Cost and Investment

| Unit Investment | 0.000001 | 0.000015 | NONE | NONE | NONE | 0.000131 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | 0.000147 |
|--------------------------|----------|----------|------|------|------|----------|------|------|------|----------|------|------|------|----------|----------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | 0.000000 | 0.000002 | NONE | NONE | NONE | 0.000014 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000016 |
| Net Return | 0.000000 | 0.000001 | NONE | NONE | NONE | 0.000008 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000009 |
| Federal Income Tax | 0.000000 | 0.000000 | NONE | NONE | NONE | 0.000002 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000002 |
| State & Local Income Tax | 0.000000 | 0.000000 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000000 |
| Maintenance | 0.000000 | 0.000001 | NONE | NONE | NONE | 0.000012 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000013 |
| Administration | 0.000000 | 0.000000 | NONE | NONE | NONE | 0.000001 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000001 |
| Other Tax | 0.000000 | 0.000000 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000000 |
| Other Direct Expense | 0.000000 | 0.000001 | NONE | NONE | NONE | 0.000009 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000001 |
| Overhead Loadings | 0.000000 | 0.000003 | NONE | NONE | NONE | 0.000022 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000025 |
| Total | 0.000000 | 0.000007 | NONE | NONE | NONE | 0.000064 | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000072 |

Local STP/Regional STP Signalling Link (see note 1)

| Unit Investment | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.001000 |
|--------------------------|-----|-----|------|------|------|-----|------|------|------|------|------|------|------|-----|----------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000107 |
| Net Return | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000058 |
| Federal Income Tax | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000015 |
| State & Local Income Tax | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000000 |
| Maintenance | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000088 |
| Administration | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000005 |
| Other Tax | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000000 |
| Other Direct Expense | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000044 |
| Overhead Loadings | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000170 |
| Total | N/A | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000487 |

SCP/SMG Signalling Link (see note 2)

| Unit Investment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
|--------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Net Return | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Federal Income Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State & Local Income Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Maintenance | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Administration | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Other Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Other Direct Expense | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Overhead Loadings | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Total | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A |

SCP

| Unit Investment | NONE | NONE | NONE | NONE | NONE | 0.001866 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.001866 |
|--------------------------|------|------|------|------|------|----------|------|------|------|------|------|------|------|------|----------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | NONE | NONE | NONE | NONE | NONE | 0.000189 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000189 |
| Net Return | NONE | NONE | NONE | NONE | NONE | 0.000108 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000108 |
| Federal Income Tax | NONE | NONE | NONE | NONE | NONE | 0.000027 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000027 |
| State & Local Income Tax | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 |
| Maintenance | NONE | NONE | NONE | NONE | NONE | 0.000185 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000185 |
| Administration | NONE | NONE | NONE | NONE | NONE | 0.000011 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000011 |
| Other Tax | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 |
| Other Direct Expense | NONE | NONE | NONE | NONE | NONE | 0.000092 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000092 |
| Overhead Loadings | NONE | NONE | NONE | NONE | NONE | 0.000324 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000324 |
| Total | NONE | NONE | NONE | NONE | NONE | 0.000826 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000826 |

Tandem Switch

| Unit Investment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
|--------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Net Return | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Federal Income Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State & Local Income Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Maintenance | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Administration | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Other Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Other Direct Expense | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Overhead Loadings | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Total | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |

NEW YORK TELEPHONE

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|-------------------|------------------------|--|----------------------------------|-----------------------------------|------------------------------|-----------------------------------|---|--------------------|------------------------------|-----------------------------------|------------------------------|--|-----------------------------|---------------------------------|-------|
| Land Acct 2111 | Buildings Acct 2121 | General Purpose Computers Acct 2124 | Analog Switching Acct 2211 | Digital Switching Acct 2212 | Radio System Acct 2231 | Circuit Equipment Acct 2232 | Other Terminal Equipment Acct 2362 | Poles Acct 2411 | Aerial Cable Acct 2421 | Underground Cable Acct 2422 | Buried Cable Acct 2423 | IntraBldg Network Cable Acct 2426 | Aerial Wire Acct 2431 | Conduit Systems Acct 2441 | Total |

SSP

| | | | | | | | | | | | | | | | |
|-----------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Unit Investment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
|-----------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|

| | | | | | | | | | | | | | | | |
|--------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Net Return | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Federal Income Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State & Local Income Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Maintenance | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Administration | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Other Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Other Direct Expense | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Overhead Loadings | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Total | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |

II. Jurisdictional Separations

STP/SCP Signalling Link (see note 3)

| | | | | | | | | | | | | | | | | |
|-------------------------|---------|----------|------|------|------|------|-----------|------|------|------|-------|------|------|------|-------|-----------|
| Total Investment | \$1,476 | \$31,782 | NONE | NONE | NONE | NONE | \$272,935 | NONE | NONE | NONE | \$580 | NONE | NONE | NONE | \$400 | \$307,173 |
| Total Company | \$1,476 | \$31,782 | NONE | NONE | NONE | NONE | \$272,935 | NONE | NONE | NONE | \$580 | NONE | NONE | NONE | \$400 | \$307,173 |
| Subject to Separation | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
| State 800 Database | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
| State Other | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
| Interstate 800 Database | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
| Interstate Other | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |

| | | | | | | | | | | | | | | | | |
|----------------------|--------|--------|------|------|------|------|--------|------|------|------|--------|------|------|------|--------|--------|
| Method of Assignment | CCSCIS | CCSCIS | NONE | NONE | NONE | NONE | CCSCIS | NONE | NONE | NONE | CCSCIS | NONE | NONE | NONE | CCSCIS | CCSCIS |
|----------------------|--------|--------|------|------|------|------|--------|------|------|------|--------|------|------|------|--------|--------|

Local STP/Regional STP Signalling Link (see note 1)

| | | | | | | | | | | | | | | | | |
|-------------------------|-----|-----|------|------|------|------|-----|------|------|------|-----|------|------|------|-----|-----|
| Total Investment | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
| Total Company | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
| Subject to Separation | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
| State 800 Database | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
| State Other | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
| Interstate 800 Database | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
| Interstate Other | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |

| | | | | | | | | | | | | | | | | |
|----------------------|-----|-----|------|------|------|------|-----|------|------|------|-----|------|------|------|-----|-----|
| Method of Assignment | N/A | N/A | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | NONE | NONE | NONE | N/A | N/A |
|----------------------|-----|-----|------|------|------|------|-----|------|------|------|-----|------|------|------|-----|-----|

SCP/SMS Signalling Link (see note 2)

| | | | | | | | | | | | | | | | | |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Total Investment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A |
| Total Company | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Subject to Separation | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State 800 Database | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State Other | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Interstate 800 Database | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Interstate Other | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |

| | | | | | | | | | | | | | | | | |
|----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|
| Method of Assignment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A |
|----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|

SCP (see note 3)

| | | | | | | | | | | | | | | | | |
|-------------------------|------|------|------|------|-------------|------|------|------|------|------|------|------|------|------|------|-------------|
| Total Investment | NONE | NONE | NONE | NONE | \$4,457,933 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | \$4,457,933 |
| Total Company | NONE | NONE | NONE | NONE | \$4,457,933 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | \$4,457,933 |
| Subject to Separation | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A |
| State 800 Database | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A |
| State Other | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A |
| Interstate 800 Database | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A |
| Interstate Other | NONE | NONE | NONE | NONE | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A |

| | | | | | | | | | | | | | | | | |
|----------------------|------|------|------|------|--------|------|------|------|------|------|------|------|------|------|------|--------|
| Method of Assignment | NONE | NONE | NONE | NONE | CCSCIS | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | CCSCIS |
|----------------------|------|------|------|------|--------|------|------|------|------|------|------|------|------|------|------|--------|

NEW YORK TELEPHONE

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|-------------------|------------------------|--|----------------------------------|-----------------------------------|------------------------------|-----------------------------------|---|--------------------|------------------------------|-----------------------------------|------------------------------|--|-----------------------------|---------------------------------|-------|
| Land Acct 2111 | Buildings Acct 2121 | General Purpose Computers Acct 2124 | Analog Switching Acct 2211 | Digital Switching Acct 2212 | Radio System Acct 2231 | Circuit Equipment Acct 2232 | Other Terminal Equipment Acct 2362 | Poles Acct 2411 | Aerial Cable Acct 2421 | Underground Cable Acct 2422 | Buried Cable Acct 2423 | IntraBldg Network Cable Acct 2426 | Aerial Wire Acct 2431 | Conduit Systems Acct 2441 | Total |

Tandem Switch

| | | | | | | | | | | | | | | | |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Total Investment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Total Company | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Subject to Separation | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State 800 Database | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State Other | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Interstate 800 Database | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Interstate Other | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |

| | | | | | | | | | | | | | | | |
|----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Method of Assignment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
|----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|

SSP

| | | | | | | | | | | | | | | | |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Total Investment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Total Company | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Subject to Separation | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State 800 Database | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State Other | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Interstate 800 Database | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Interstate Other | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |

| | | | | | | | | | | | | | | | |
|----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Method of Assignment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
|----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|

A

III. Demand

Total

800 Database Queries (see note 4)

| | |
|-------------------------|------------|
| State 800 Database | 525855701 |
| State Other | 0 |
| Interstate 800 Database | 2218258501 |
| Interstate Other | 0 |
| Base Period Demand | 1083457236 |
| Estimated Demand | 2744114202 |
| Time Period | 5 years |
| Discount Rate | 11.00% |

Notes:

- Investments and unit costs exist for each of the accounts containing N/A, but neither the SCIS Model nor the separations process provide the amounts at a service specific level by account.
- The N/A in the total column indicates that the direct expense associated with the SCP/SMS links have not been identified separately. The direct expense is included in the bundled SMS charges and are charged to expense account 6724.
- Investment amounts are not available below a total company level because separations does not determine investment on a service specific basis.
- Estimated demand is the total intrastate and interstate levelized projected demand.

INFORMATION REQUEST FOR 800 DATABASE SERVICE EXOGENOUS COSTS

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|-------------------|------------------------|--|----------------------------------|-----------------------------------|------------------------------|-----------------------------------|---|--------------------|------------------------------|-----------------------------------|------------------------------|--|-----------------------------|---------------------------------|-------|
| Land Acct 2111 | Buildings Acct 2121 | General Purpose Computers Acct 2124 | Analog Switching Acct 2211 | Digital Switching Acct 2212 | Radio System Acct 2231 | Circuit Equipment Acct 2232 | Other Terminal Equipment Acct 2382 | Poles Acct 2411 | Aerial Cable Acct 2421 | Underground Cable Acct 2422 | Buried Cable Acct 2423 | Interdipg Network Cable Acct 2426 | Aerial Wire Acct 2431 | Conduit Systems Acct 2441 | Total |

I. Unit Cost and Investment

STP/SCP Signalling Unit

| Unit Investment | 0.000002 | 0.000040 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000001 | 0.000387 |
|--------------------------|----------|----------|------|------|------|------|------|------|------|----------|------|------|------|----------|----------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | 0.000000 | 0.000004 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000039 |
| Net Return | 0.000000 | 0.000002 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000021 |
| Federal Income Tax | 0.000000 | 0.000001 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000006 |
| State & Local Income Tax | 0.000000 | 0.000000 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000000 |
| Maintenance | 0.000000 | 0.000003 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000029 |
| Administration | 0.000000 | 0.000000 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000002 |
| Other Tax | 0.000000 | 0.000000 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000000 |
| Other Direct Expense | 0.000000 | 0.000000 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000005 |
| Overhead Loadings | 0.000000 | 0.000004 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000042 |
| Total | 0.000001 | 0.000015 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | 0.000000 | 0.000143 |

Local STP/Regional STP Signalling Unit (see note 1)

| Unit Investment | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000086 |
|--------------------------|-----|-----|------|------|------|------|------|------|------|------|------|------|------|-----|----------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000099 |
| Net Return | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000053 |
| Federal Income Tax | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000015 |
| State & Local Income Tax | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000000 |
| Maintenance | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000073 |
| Administration | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000000 |
| Other Tax | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000000 |
| Other Direct Expense | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000000 |
| Overhead Loadings | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000012 |
| Total | N/A | N/A | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A | 0.000107 |
| | | | | | | | | | | | | | | | 0.000385 |

SCP/SMS Signalling Unit (see note 2)

| Unit Investment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
|--------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Net Return | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Federal Income Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State & Local Income Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Maintenance | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Administration | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Other Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Other Direct Expense | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Overhead Loadings | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Total | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | N/A |

SCP

| Unit Investment | NONE | NONE | NONE | NONE | 0.001326 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.001326 |
|--------------------------|------|------|------|------|----------|------|------|------|------|------|------|------|------|------|----------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | NONE | NONE | NONE | NONE | 0.000132 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000132 |
| Net Return | NONE | NONE | NONE | NONE | 0.000071 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000071 |
| Federal Income Tax | NONE | NONE | NONE | NONE | 0.000019 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000019 |
| State & Local Income Tax | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 |
| Maintenance | NONE | NONE | NONE | NONE | 0.000009 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000009 |
| Administration | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 |
| Other Tax | NONE | NONE | NONE | NONE | 0.000000 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000000 |
| Other Direct Expense | NONE | NONE | NONE | NONE | 0.000018 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000018 |
| Overhead Loadings | NONE | NONE | NONE | NONE | 0.000141 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000141 |
| Total | NONE | NONE | NONE | NONE | 0.000487 | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | 0.000487 |

Tandem Switch

| Unit Investment | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
|--------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Unit Costs | | | | | | | | | | | | | | | |
| Depreciation | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Net Return | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Federal Income Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| State & Local Income Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Maintenance | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Administration | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Other Tax | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Other Direct Expense | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Overhead Loadings | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |
| Total | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE | NONE |